



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-570-970)

Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review:  
Multilayered Wood Flooring from the People's Republic of China

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“the Department”) preliminarily determines that Linyi Youyou Wood Co., Ltd. (“Youyou”) is the successor-in-interest to Shanghai Lizhong Wood Products Co., Ltd. / The Lizhong Industry Limited Company of Shanghai (“Lizhong”) in the antidumping duty order on multilayered wood flooring from the People’s Republic of China (“PRC”) and, as such, is entitled to Lizhong’s cash deposit rate with respect to entries of subject merchandise. Interested parties are invited to comment on this preliminary determination.

EFFECTIVE DATE: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Charles Riggle, AD/CVD Operations , Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-0650.

## SUPPLEMENTARY INFORMATION:

### Background

On June 20, 2014, Lizhong requested that the Department initiate a changed circumstances review to confirm that Youyou is the successor-in-interest to Lizhong for purposes of determining antidumping duty liabilities.

### Scope of the Order

The merchandise covered by the order includes MLWF, subject to certain exceptions.<sup>1</sup> Imports of the subject merchandise are provided for under the following subheadings of the HTSUS: 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019; 4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059; 4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.5100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.94.9500; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5100; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; 4418.72.9500; and 9801.00.2500.<sup>2</sup>

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<sup>1</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Paul Piquado, Assistant Secretary for Enforcement & Compliance, dated concurrently with this notice, regarding “Preliminary Changed Circumstances Review: Multilayered Wood Flooring from the People’s Republic of China,” issued concurrently with this notice for a complete description of the Scope of the Order.

<sup>2</sup> On August 28, 2013, in consultation with CBP, the Department added the following HTSUS classification to the AD/CVD module for wood flooring: 9801.00.2500. See Letter to the File from Lilit Astvatsatryan, Case Analyst, Enforcement and Compliance, Office IV, regarding “Multilayered Wood Flooring from the PRC, Modification of

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

#### Initiation of Changed Circumstances Review

Pursuant to section 751(b) of the Tariff Act of 1930, as amended (“the Act”), and the Department's regulations (19 CFR 351.216 and 351.221(c)(3)), the Department will conduct a changed circumstances review upon receipt of information concerning, or a request from an interested party for a review of, an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. The information submitted by Lizhong claiming that Youyou is its successor-in-interest demonstrates changed circumstances sufficient to warrant a review.<sup>3</sup> When it concludes that expedited action is warranted, the Department may publish the notice of initiation and preliminary results for a changed circumstances review concurrently.<sup>4</sup> In this instance, because we have on the record the information necessary to make a preliminary finding, we find that expedited action is warranted, and are combining the notice of initiation and the notice of preliminary results.

In accordance with the above-referenced regulations, the Department is initiating a changed circumstances review to determine whether Youyou is the successor-in-interest to Lizhong. In determining whether one company is the successor to another for purposes of applying the antidumping duty law, the Department examines a number of factors including, but not limited to, changes in (1) management, (2) production facilities, (3) suppliers, and (4) customer base.<sup>5</sup> While no one or several of these factors will necessarily provide a dispositive

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the Case Reference File in ACE,” (November 18, 2013).

<sup>3</sup> See 19 CFR 351.216(d).

<sup>4</sup> See 19 CFR 351.221(c)(3)(ii).

<sup>5</sup> See, e.g., *Notice of Preliminary Results of Antidumping Duty Changed Circumstances Review: Polychloroprene Rubber From Japan*, 69 FR 61796, 61797 (October 21, 2004).

indication of succession, the Department will generally consider one company to be the successor to another company if its resulting operation is essentially the same as that of its predecessor.<sup>6</sup> Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, the Department will assign the new company the cash deposit rate of its predecessor.<sup>7</sup>

#### Preliminary Determination

In its June 20, 2014 submission, Lizhong provided documentation demonstrating that Youyou is its successor-in-interest in that no major changes occurred with respect to Lizhong's management, production process, customer base, or suppliers.<sup>8</sup>

According to the information provided, Youyou is owned, managed and operated by the same ownership and management teams as Lizhong.<sup>9</sup> Lizhong also provided documentation that there had been no material change in suppliers of inputs or services related to the production, sale and distribution of the subject merchandise.<sup>10</sup> Youyou, which had previously supplied materials to Lizhong, has taken up the production of the subject merchandise and continued to utilize its other suppliers.<sup>11</sup>

Regarding its production of the subject merchandise, Lizhong stated that the production capacity, process and equipment of Youyou are identical to that of Lizhong.<sup>12</sup> Due to the PRC

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<sup>6</sup> *Id.*

<sup>7</sup> See *Notice of Final Results of Changed Circumstances Review: Polychloroprene Rubber from Japan*, 69 FR 67890 (November 22, 2004); *Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan: Initiation of Antidumping Duty Changed Circumstance Review*, 70 FR 17063 (April 4, 2005).

<sup>8</sup> See June 20, 2014 letter from Lizhong re: Multilayered Wood Flooring from the People's Republic of China: Request for Changed Circumstances Review ("Lizhong CCR Request").

<sup>9</sup> See Lizhong CCR Request at page 4 and attachment 1.

<sup>10</sup> See Lizhong CCR Request at page 5 and attachment 4.

<sup>11</sup> See *id.*

<sup>12</sup> See Lizhong CCR Request at page 5 and attachment 3.

Government-directed “Removal and Relocation” project, Lizhong was obligated to physically transfer operations away from its production location to Youyou’s facility.<sup>13</sup>

Finally, Lizhong has indicated that there has been no change with its U.S. customer base or its sale of the subject merchandise.<sup>14</sup> Since Lizhong was required to move physical facilities, Youyou stated that it will continue to sell to all of these U.S. customers the same subject merchandise using its own taxpayer ID number.<sup>15</sup>

On August 1, 2014, the Coalition for American Hardwood Parity, petitioner in the underlying investigation, submitted a letter stating that it does not object to Lizhong’s request that the Department grant Youyou successor-in-interest status. As a result, because all parties to the proceeding agree to the outcome of the review, the Department concluded that expedited action is warranted in this review.<sup>16</sup> With the information provided, we preliminarily find Youyou as the successor-in-interest to Lizhong and, as such, that it is entitled to Lizhong’s cash-deposit rate with respect to entries of subject merchandise.

Should our final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by Youyou the antidumping duty cash-deposit rate applicable to Lizhong effective the date of publication of the final results.

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<sup>13</sup> See Lizhong CCR Request at page 5 and attachment 3.

<sup>14</sup> See Lizhong CCR Request at page 6 and attachments 5 and 6.

<sup>15</sup> See Lizhong CCR Request at page 5 and attachment 3.

<sup>16</sup> See 19 CFR 351.216(e) and 351.221(c)(3)(ii).

## Public Comment

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 14 days of publication of this notice.<sup>17</sup> Parties will be notified of the time and date of any hearing, if requested. Interested parties may submit case briefs and/or written comments not later than 14 days after the date of publication of this notice. Rebuttal briefs and rebuttals to written comments, which must be limited to issues raised in such briefs or comments, may be filed not later than 21 days after the date of publication of this notice. Parties who submit case briefs or rebuttal briefs in this changed circumstances review are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument with an electronic version included. Consistent with 19 CFR 351.216(e), we intend to issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated or within 45 days of publication of these preliminary results if all parties agree to our preliminary finding.

We are issuing and publishing this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3).

Dated: August 8, 2014.

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Paul Piquado,  
Assistant Secretary  
for Enforcement and Compliance.

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<sup>17</sup> See 19 CFR 351.303 for general filing requirements.

[FR Doc. 2014-19412 Filed 08/14/2014 at 8:45 am; Publication Date: 08/15/2014]